



Avivia Health Company Overview

In 2005, Avivia Health was created as an independent, wholly owned subsidiary of Kaiser Permanente to achieve the goal of offering sophisticated health management analytics and evidence-based care management programs to a broader market. Health Care Management Solutions, LLC, also known as Avivia Health From Kaiser Permanente, is headquartered at 1800 Harrison Street, 22nd Floor, Oakland, CA 94612.

Our Mission Statement and Vision reflect our position regarding improving health.

Mission Statement

Avivia Health Intelligently Tailors™ programs that enable organizations to control their health care costs and increase productivity by supporting and empowering our clients and their employees and members with expert tools, resources and insights that motivate them to proactively manage and improve overall health and wellness.

Vision

Avivia Health will positively impact both businesses and individuals by creating healthier environments for all to live. Focused and driven with precision, Avivia will provide a superior, balanced solution that empowers individuals to change the way they manage their health and interact with their care providers; ultimately reducing medical costs and increasing productivity and wellness. With an unparalleled level of understanding and compassion and a wealth of knowledge and expertise, Avivia will proactively partner with our customers to help constantly explore the realm of possibilities and create or recommend health management solutions that are uniquely tailored for well being, for businesses and individuals.

Avivia Health leverages our industry-leading analytic capabilities to provide clients with multi-dimensional reporting packages and analytics tools that drive actionable care management recommendations and initiatives. Avivia Health will work with CalPERS to better understand the scope, complexity, and requirements of customized analysis around unwarranted variation by geography, prevalence rates for a variety of conditions commonly subject to variation, physician profiling, decision support, and other needs.



Opportunity Analysis

Avivia Health can provide an Opportunity Analysis (OA) that illustrates the potential to improve quality, reduce costs, and improve care and satisfaction. The OA uses 12 to 24 months of historical medical claims data, pharmacy claims data, and health plan specific data. It contains a broad set of information that includes: overall medical cost summary, geographic variation in care, prevalence rates and associated costs for chronic and preference-sensitive conditions, utilization information, clinical gap descriptions, co-morbidities, and complications. Relevant benchmarks, developed from a database containing 20 million lives, are provided to highlight successful practices and areas for improvement. Also included is a summary highlighting key conclusions and opportunities to leverage analytic insights into actionable steps for healthcare quality, cost, and satisfaction improvements

Overview

Avivia Health provides a customized analytic framework and a series of analyses based on medical and pharmacy data to identify key opportunities to reduce costs in areas of unwarranted variation for a defined population.

Unwarranted variation is defined as the differences in health care delivery that cannot be explained by illness, medical need, or the dictates of evidence-based medicine. It is one of the health care industry's principal drivers of cost and quality.

In fact, not unlike six-sigma efforts which deliver material improvements in performance, published research has found that if unwarranted variation of care were driven out of the health care system, quality would dramatically improve and costs would decrease by up to 30%.¹ This discovery expanded the traditional definition of quality and led to the development of Unwarranted Variation Analytics™, a robust and differentiated approach, to address the three domains of unwarranted variation:

1. **Effective care and patient safety.** Effective care and patient safety measures (traditionally defined as “quality measures”) *evaluate services of proven clinical effectiveness* derived from randomized, controlled trials or well-constructed observational studies. Examples of effective care and patient safety measures include A1C and LDL cholesterol testing for diabetics, post-operative infection rates, and failed PTCAs that lead to CABG within 24 hours.
2. **Supply-sensitive care.** Supply-sensitive care measures *evaluate the efficiency of the healthcare system*. Supply-sensitive care is strongly correlated with healthcare system resource capacity (e.g., specialized imaging such as MRI, and certain types of hospital and ICU admissions). Recent studies have found that patients obtaining care in inefficient healthcare systems that deliver high levels of

¹ The Implications of Regional Variation in Medicare Spending.” *Annals of Internal Medicine*, volume 138, number 4, February 2003.



supply-sensitive care have higher mortality than those obtaining care in efficient systems.²

- 3. Preference-sensitive care.** Preference-sensitive care measures *evaluate services for conditions for which treatment options may carry significant tradeoffs* in terms of risks and benefits for the patient. Examples of preference-sensitive care include the choice of mastectomy or lumpectomy in early-stage breast cancer, surgery or conservative treatment for patients with back pain due to disc disease, and invasive cardiac surgery or medical management for chest pain due to CAD. The choice of care is, or should be, driven by the patient's own preferences.

Analyses, Deliverables, and Timelines:

- Step 1: Data request is made. Data is compiled and sent to Avivia Health for analysis
- Step 2: Data quality assessment, including data mapping, review of initial data files for consistency and data integrity, including comparison to appropriate benchmark data
- Step 3: Preliminary assessment and opportunity analysis, including the following elements:
 - Highest cost diseases and drivers of overall utilization
 - Benchmarked rates of use of supply sensitive services (age/sex/chronic disease adjusted)
 - Hospital admissions
 - ER visits
 - Imaging tests
 - Specialist visits
 - Visit patterns to hospitals and hospital systems matched against Dartmouth Atlas hospital efficiency data
 - Utilization for likely end-of-life diseases using proxies from administrative data
 - Pharmacy cost opportunities
- Step 4: Conclusions and facilitation of the initiative development and prioritization process, including:
 - Quantification of opportunities and proposed plans
 - Executive on-site facilitation, (including phone calls for meeting prep and follow-up); and
 - Written executive summary, detailing specific project recommendations and areas of focus for client.

² "The Implications of Regional Variation in Medicare Spending." *Annals of Internal Medicine*, volume 138, number 4. February 2003.